University-wide procedure for the processing of facilities and administrative costs associated with US government research funding

Background
Lund University participates in research projects funded by the US government, for which most of the funding is received from the National Institutes of Health (NIH). For all non-American organisations, the NIH provides an 8 per cent increment to help pay for the University’s indirect costs, so-called facilities and administrative (F&A) costs. The increment is calculated based on the direct costs, excluding any depreciations.

According to the NIH Grants Policy Statements from October 2013, prior to 2015 the increment may only be used to cover the costs that arise when the University is fulfilling its obligations towards the NIH, so-called “compliance costs”.

In a Vice-Chancellor’s decision on the processing of facilities and administrative costs associated with US government research funding from 2013 (reg. no LS 2013/732) it was established that funding intended to cover F&A costs for projects funded by the US government are to be reported separately at a University-wide technical cost centre. In 2013 and 2014 the University reported SEK 2,155,391 in increments from a total of 16 NIH-funded projects. The costs of auditing and ethical review were reported at the same cost centre.

In accordance with a more recent NIH regulation entitled Grants Policy Statements from March 2015, the above stated requirement has been removed. Funding for F&A costs can be processed in the same way as for other funders who contribute to cover the University’s indirect costs.

Decision
Lund University has decided to revoke the previous decision on the processing of F&A costs associated with US government research funding, reg. no LS 2013/732.

The University has decided that for any funding agreements with the NIH prior to July 2016, funds awarded to cover F&A costs are to be reported separately at a University-wide technical cost centre.

The University has decided that, for any funding agreements with the NIH as of July 2016, funds awarded to cover F&A costs are to be reported in the same way as for other funding agreements, that is, they are to be processed and reported in accordance with the University’s normal practices and regulations.

The departments concerned are responsible for making sure that the annual amount is reported separately.
The decision in this matter was made by the undersigned Deputy Vice-Chancellor in the presence of University Director Susanne Kristensson after a presentation by research funding advisor Kjell Josefsson.

Eva Wiberg

Kjell Josefsson
(Research Services)

Copies to
Departments concerned
Researchers concerned
Faculty offices
Research, External Engagement and Innovation
Research Services
Research Board